State of Alaska
FY2008 Governor's Operating Budget

Department of Transportation/Public Facilities

Department of Transportation/Public Facilities

Mission

Provide for the movement of people and goods and the delivery of state services.

Core Services

Develop, maintain and operate:

- Highways
- Alaska Marine Highway System
- Airports
- Public Facilities
- Ports and harbors
- State Equipment Fleet

End Results	Strategies to Achieve Results
A: Reduce injuries, fatalities and property damage. Target #1: Reduce highway fatality rate by 2% Measure #1: Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).	**A1: Build and improve state owned roads and highways to appropriate department standards.** Target #1: Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards. Measure #1: Percent of national highway system (NHS) meeting current department standards. Target #2: Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete). Measure #2: Number of bridges that are considered deficient by FHWA standards. **A2: Improve DOT&PF efficiency.** Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th. Measure #1: Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date. Target #2: Reduce the percentage of administrative and engineering costs to 30% or less of total project costs. Measure #2: Percent of administrative and engineering cost compared to total project cost.
End Results	**Strategies to Achieve Results**
B: Carry out safe DOT&PF operations. Target #1: 5% reduction in annual injury rate of department employees. Measure #1: Percent change in annual injury rate per 100 department employees working one year.	**B1: Improve employees' awareness of workplace safety requirements.** Target #1: 10% increase in employees successfully completing required safety training. Measure #1: Percent change in employees successfully

	completing required safety training.
End Results	**Strategies to Achieve Results**
C: Improved mobility of people and goods. Target #1: Improvement in customer satisfaction with department services. Measure #1: Change in customer satisfaction based on survey of customers.	**C1: Build and improve state owned airports to appropriate department standards.** Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft embankments. Measure #1: Percent change in number of airports that are closed seasonally. Target #2: Increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access. Measure #2: Number of airports built or improved to the 24-hour access standard.
End Results	**Strategies to Achieve Results**
D: Increase private investment Target #1: Increase private investment at department airports by 2%. Measure #1: Percent increase in private investment at the department airports compared to a three-year rolling average.	**D1: Enhance economic activities through the construction of key transportation linkages.** Target #1: Increase by 3 the number of resource development roads under design or construction. Measure #1: Number of resource development road projects actively being designed or constructed.
End Results	**Strategies to Achieve Results**
E: Provide the assets and facilities to enable delivery of state services. Target #1: Achieve 80% satisfaction of government sector customers with DOT&PF services. Measure #1: Change in satisfaction based on survey of government sector customers.	**E1: Maintain state transportation assets and facilities to department standards.** Target #1: No increases in deferred maintenance needs. Measure #1: Dollar value of deferred maintenance needs.

Major Activities to Advance Strategies

- Design roads to appropriate standards
- Emphasize traffic control from planning through construction
- Increase preventative maintenance
- Implement RWIS
- Implement 511 System
- Implement Land Mobile Radio System
- Utilize more design/build contracts where it will reduce overall project costs.
- Work with federal and state agencies on streamlining permitting and regulatory processes
- Improve work zone safety by improving commuting public's awareness of hazards
- Monitor safety compliance
- Partner with Dept. of Labor, Occupational Safety to audit department programs and identify areas of improvement.
- Design, procure and employ lighter, faster vessels.
- Implement a ticket scanning system
- Employ separate and secure staging areas of passenger loading.
- Optimize schedules

FY2008 Resources Allocated to Achieve Results

FY2008 Department Budget: $544,340,200

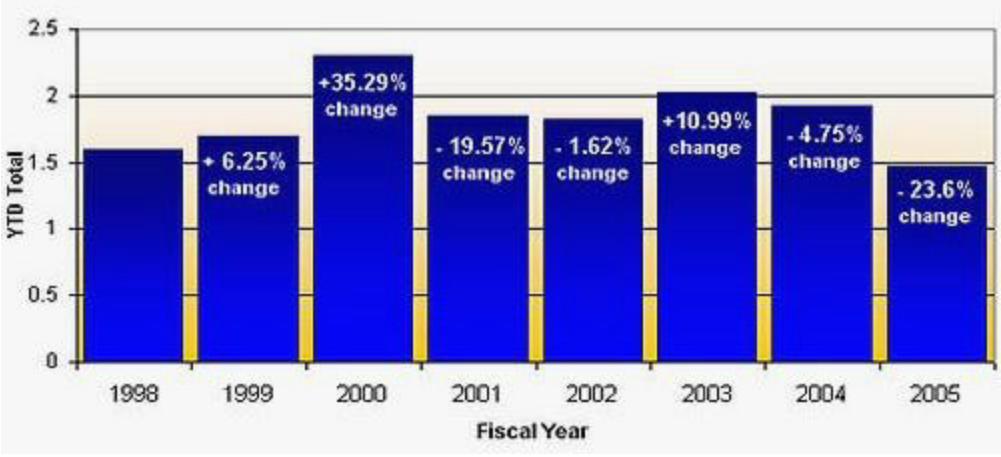
Personnel:	
Full time	3,018
Part time	541
Total	3,559

Performance Measure Detail

A: Result - Reduce injuries, fatalities and property damage.

Target #1: Reduce highway fatality rate by 2%
Measure #1: Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).

Fatality Rate per 100 million miles traveled



Analysis of results and challenges: The U.S. national fatality rate decreased annually between 1993 and 2004, from 1.45 fatalities per 100 million vehicle miles traveled (VMT) in 1993, to 1.50 fatalities/100 million VMT in 2004, before rising to 1.47 fatalities per 100 million VMT in 2005. Alaska's rate has fallen for the past three years, falling from 2.02 fatalities per 100 million VMT in 2003 to 1.47 fatalities per 100 million VMT in 2005.

Alaska typically experiences more accidents in the winter, with long periods of darkness and poor driving conditions. However, there are more severe accidents, including fatalities, in the summertime, where long periods of daylight occur and there is increased driving. Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. In 2004, roadway conditions were a contributing factor to only 2 percent of major injury accidents and less than 1 percent of the fatal accidents.

In 2005 there were 74 fatalities and 13138 crashes. In order to reduce these numbers, the agency approaches the issue through statewide outreach programs and federally funded highway safety grant projects. Motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes in Alaska, such as blood alcohol content, and the number of troopers employed to enforce these laws are beyond the control of the program.

A1: Strategy - Build and improve state owned roads and highways to appropriate department standards.

Target #1: Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards.

Measure #1: Percent of national highway system (NHS) meeting current department standards.

Percent of road lane miles that meet standards

Year	YTD Total
2002	70%
2003	72%
2004	73%
2005	74%

Analysis of results and challenges: There are 1,518 miles (74%) of the NHS that meet national standards and 521 miles (26%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety by converting 2-lane highways to divided highways with interchanges at high-volume locations. Several major bridges have also been upgraded since the last report.

Target #2: Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete).

Measure #2: Number of bridges that are considered deficient by FHWA standards.

Number of bridges considered deficient by FHWA standards

Year	YTD Total
2002	152
2003	161 +5.92%
2004	153 -4.97%
2005	142 -7.19%
2006	151 +6.34%

Analysis of results and challenges: Biennial bridge inspections are necessary to assure the safety of the traveling public. Staff develop repair recommendations, work with Maintenance & Operations (M&O) staff to prioritize bridge repairs, design those repairs, perform load ratings on bridges, attempt to optimize hauling of overloads across bridges; post and close deficient bridges; and recommend financial programming of bridge replacements and repairs.

The number of bridges shown as deficient is dependent on the number damaged during the year, the amount of funds available for repair, and the priority placed on those repairs. Numbers also fluctuate as a result of quality assurance efforts. Total number of state highway agency owned bridges in 2006 is 765.

A2: Strategy - Improve DOT&PF efficiency.

Target #1: Advertise 75% of new highway and aviation construction project funding by April 30th.
Measure #1: Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date.

Percent of construction contract funding advertised by April 30th

Fiscal Year	Central Region	Northern Region	Southeast Region	YTD Total	Target
FFY 2005	31%	42%	51%	38%	75%
FFY 2006	47%	56%	27%	42%	75%

Analysis of results and challenges: Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Regional project development will be accelerated to meet this target. Once the department has reached this goal, maintaining it will be little different in terms of work production than what is experienced today. The acceleration phase could result in a temporary increase in inflated construction costs due to less competition among already busy contractors.

The state's general fund program grew substantially in 2005 and again in 2006, and is expected to account for a larger portion of the overall highway program for the next several years.

Target #2: Reduce the percentage of administrative and engineering costs to 30% or less of total project costs.
Measure #2: Percent of administrative and engineering cost compared to total project cost.

Percent of administrative and engineering costs to total project costs

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total	Target
FFY 2004	21%	26%	23%	22%	30%
FFY 2005	20%	22%	23%	21%	30%
FFY 2006	21%	23%	13%	18%	30%

Analysis of results and challenges: Percentages are calculated by summing up all administrative and engineering costs – i.e, all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments – and dividing those administrative and engineering costs by the total of all project costs. The aim is to reduce the overhead that accompanies public project development, to get more of each capital dollar into construction or other related fieldwork that directly benefits the private sector and the traveling public.

B: Result - Carry out safe DOT&PF operations.

Target #1: 5% reduction in annual injury rate of department employees.
Measure #1: Percent change in annual injury rate per 100 department employees working one year.

Number of Work-related Injuries/Injury Rate per 100 Employees

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Injury Rate	Injury Rate Change
2004	42	37	38	30	147	4.4	
2005	55	30	26	33	144	4.2	-0.2
2006	65	36					

Analysis of results and challenges: The Department of Transportation and Public Facilities employs an average of 3,500 employees during the year. Employees work in some extremely dangerous areas such as marine, highway and airport maintenance. A department priority is to promote workplace safety. Several new

checklists are required to ensure that safety is periodically evaluated in every section.

52 DOT&PF facilities were inspected for compliance under a partnering agreement with AKOSH. These inspections resulted in immediate repair of many potentially hazardous conditions and will be a major step in lowering the amount of injuries within the department.

Safety training is a proven method of lowering accidents and incidents. The department targeted a number of employees to attend training in an effort to lower the amount of injuries. We have increased the amount of safety training offerings by 25% with a resultant 60% increase in the numbers of employees attending safety training events.

Department safety officers are continuously evaluating the specifics of the overall program and along with individual supervisors are targeting high incident rates and developing hazard analysis for each assigned job task.

B1: Strategy - Improve employees' awareness of workplace safety requirements.

Target #1:10% increase in employees successfully completing required safety training.
Measure #1: Percent change in employees successfully completing required safety training.

Percent of DOT&PF employees completing required safety training

Year	YTD Total	% change
2003	36%	
2004	34.8%	-3.3%
2005	66%	+89.7%
2006	74.3%	+12.6%

Analysis of results and challenges: Seeing an increase in accidents and workers compensation claims, the department undertook a review of the safety program in 2002. The result was the production of a new safety manual that includes required safety training elements. The new manual became policy in 2003. Previously, each region, section and safety officer within the department held training events including periodic safety meetings and briefings on new equipment and procedures as needed. Increased funding will be necessary for travel, lodging and additional equipment to comply with the employee specific job training requirements. Required training is expected in other areas, including National Incident Management System (NIMS) and homeland security.

Required safety training, as identified in the safety manual, is being implemented over a 5 year period. As more safety training is provided we are seeing a reduction in work related injuries and workers compensation claims.

The Safety Task Force is reviewing the definition of "required" training and is gathering data tracking training meetings held and employees who attended. The data shown in the table above for 2003 through 2005 is based on a compilation of Highways and Aviation, Facilities and State Equipment Fleet employees who have attended safety meetings. Data for 2006 incorporates more employees from more divisions of the department including Construction, Design, and Measurement Standards and Commercial Vehicle Enforcement.

C: Result - Improved mobility of people and goods.

Target #1: Improvement in customer satisfaction with department services.
Measure #1: Change in customer satisfaction based on survey of customers.

Customer Satisfaction (very satisfied and somewhat satisfied)

Year	YTD Total
2005	80.3%
2006	no survey

Analysis of results and challenges: During FY05 the department contracted with a private firm to conduct a survey to find out how DOT&PF does providing transportation services in Alaska, including roads, airports and

ferry service. 1,200 people across the state participated in this survey. Even though the department has done very well, resources will be directed to mitigate those problem areas identified in the survey (e.g., congestion relief and rut repair). This measure will continue to gauge the department's success in addressing the survey issues. No department services satisfaction survey was undertaken for 2006, however we anticipate conducting one during 2007 or 2008.

The following areas within the department provide customer satisfaction information related to providing road, airport and ferry transportation services: Highways and Aviation, Ted Stevens Anchorage International Airport, Fairbanks International Airport, and the Alaska Marine Highway System.

C1: Strategy - Build and improve state owned airports to appropriate department standards.

Target #1: Reduce by 10% the number of airports that are closed due to seasonally soft embankments.
Measure #1: Percent change in number of airports that are closed seasonally.

Percent change in number of airports that are closed seasonally.

Fiscal Year	YTD Total	% Change
FY 2004	23	
FY 2005	21	-9%
FY 2006	17	-19%

Analysis of results and challenges: At the beginning of FY06 there were 21 airports on the seasonal closure list, with a FY06 target of 10% improvement, which would be improvements to two airports. Two of these airports, Koyukuk and Ekwok, were reconstructed with major projects completed in FY06. In addition, Golovin and Selawik were improved with minor surface improvement funding in FY06 as an interim measure to specifically address the seasonal closure issues. Thus, a total of four airports or 19% of the previously identified airports with seasonal closure problems were improved in FY06, exceeding the 10% target.

Target #2: Increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access.
Measure #2: Number of airports built or improved to the 24-hour access standard.

Number of airports built or improved to the 24-hour access standard

Fiscal Year	YTD Total	Target
FY 2004	12	
FY 2005	30	
FY 2006	42	35

Analysis of results and challenges: This measure addresses one of the largest challenges in rural Alaska, dependable evacuation of critically injured or ill people. The upgrading of all deficient airports is essential to achieving this goal.

The medevac access focus, sometimes referred to as the "unlit airport" issue, has also received a great deal of attention from our congressional delegation and the Federal Aviation Administration. Congress has appropriated $28 million dollars above our normal AIP program to assist us in improving runways to this end. 24-hour civilian access requires a minimum length of 3,300 feet and runway edge lights. We are currently focused on VFR flights, but are building in facilities to support IFR where possible.

Our FY06 target was to increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access. The following six unlit airports had permanent runway lighting installed in FY06: Chenega Bay, Clarks Point, Diomede, Ekwok, Gustavus and Koyukuk. The lighting and runway improvements to these 6 airports will allow 24 hour civilian VFR access. In addition, the following six airports had temporary lighting installed in FY06: Red Devil, Takotna, Edna Bay, Psagshak, Chiniak, and Cordova - Eyak Lake. Counting both permanent and temporary lighting system installations at these 12 airports

substantially exceeds our 5 airport lighting target.

In addition, the following airports were funded which will improve the airports to current standards and install lighting on unlighted airports: Chevak, King Cove, Kokhonok, Stevens Village.

D: Result - Increase private investment

Target #1: Increase private investment at department airports by 2%.
Measure #1: Percent increase in private investment at the department airports compared to a three-year rolling average.

Private Investment at DOTPF airports

Year	YTD Total	% Change
2004	$7,829,836	
2005	$14,532,128	86%

Analysis of results and challenges: Private investment and infrastructure is needed to maintain vital airport operations. Both the rural and international systems have land to lease to both aviation and non-aviation businesses. The two leasing organizations have been redirecting their attention to getting the land into production. A few simple steps have been taken, such as placing "for lease" signs on available tracts and visiting community chambers of commerce to get the word out that land is available.

The department received $2 million in the FY06 capital budget that will be used to develop potential lease lots at rural airports. These activities will include clearing, excavation, gravel fill, land acquisition, road access, utilities, moving of roads or parking lots. Potential airports where this development could occur include Birchwood, Bethel, Haines, Hoonah Klawock, Willow, Seward, Sitka, and Yakutat. As development occurs, staff will be marketing those lots for leasing opportunities.

D1: Strategy - Enhance economic activities through the construction of key transportation linkages.

Target #1: Increase by 3 the number of resource development roads under design or construction.
Measure #1: Number of resource development road projects actively being designed or constructed.

Number of resource development road projects actively being designed or constructed

Year	YTD Total
2004	2
2005	3
2006	8

Analysis of results and challenges: The Roads to Resources program began in March 2003, after a Resource Transportation Analysis (RTA) conducted for the Northwest Alaska Transportation Plan indicated several promising possibilities for transportation and resource industry partnerships to benefit Alaska's economic development, revenue and employment. DOT&PF has examined: energy and mineral projects in Northern Alaska to see if investment in transportation could accelerate resource development; access to resource sites and transport of resources to world markets; and traditional overland road and rail routes as well as new transport modes and project-specific port/road models.

Three projects are in the environmental review/design stage: Bullen Point Road, Cascade Point Road, and Williams Pile Bay Road. Five projects are under construction: Bostwick Logging Road, Shirley Towne Bridge, Juneau Kensington Mine Access, Ruby to Poorman Bridge/Road, and Circle Mining District Access Improvements. Construction was completed on Nome Glacier Creek Road.

E: Result - Provide the assets and facilities to enable delivery of state services.

Target #1: Achieve 80% satisfaction of government sector customers with DOT&PF services.
Measure #1: Change in satisfaction based on survey of government sector customers.

Government sector customer satisfaction

Year	State Equipment Fleet	Facilities
2005	FY2005 96%	CY2005 85%
2006	FY2006 94%	CY2006 83%

Analysis of results and challenges: The department will periodically conduct surveys of the government sector to identify problem areas within the transportation and facilities systems. The department will then direct resources to mitigate those problem areas identified in the surveys. This measure will gauge the department's success in addressing the survey issues. This is a new measure and data will be gathered to determine a baseline.

Surveys have been conducted of State Equipment Fleet and Facilities users that include government sector customers. Results of those surveys indicated a 94% and 83%, respectively, satisfaction rating for FY/CY05.

E1: Strategy - Maintain state transportation assets and facilities to department standards.

Target #1: No increases in deferred maintenance needs.
Measure #1: Dollar value of deferred maintenance needs.

Dollar value of deferred maintenance needs

Year	YTD Total
2005	$328.8 million

Analysis of results and challenges: The department is attempting to keep deferred maintenance needs from increasing. This is being accomplished by directing highway and airport funds to areas of most need through project evaluation and scoring systems, increasing efforts towards on-going preventative maintenance and transferring harbors to local governments.

Current deferred maintenance estimated needs are $15 million for harbors, $36 million for marine highway vessels, $34 million for buildings, $25 million for rural airports, and $218.8 million for highways.

Key Department Challenges

Passage of the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU), expanded the requirements to inform and involve the public in development of transportation plans and programs, added a new program, known as “Safe Routes to School” (SRTS), requires each state to prepare a comprehensive highway safety plan, allows Alaska to take on oversight of National Environmental Protection Administration aspects of certain construction projects, made the Statewide Transportation Improvement Program (STIP) a 5-year document, and increased the financial oversight of state DOT’s by the Federal Highway Administration (FHWA). The Financial Integrity Review and Evaluation program started by FHWA requires annual certification of internal and financial controls in all aspects of the surface transportation program.

Transportation security is a major issue following the events of September 11, 2001 and continued acts of international terrorism. Requirements for security have changed to comply with the Transportation Security Administration’s (TSA) mandated emergency amendments to airport, road and bridge security programs and U.S. Coast Guard port and ship security regulations. Personnel perform mandated functions such as security management, inspection, law enforcement, access control, perimeter patrols and administrative functions. The department's role in commercial vehicle enforcement and truck weigh stations will place additional demand to monitor highway freight transport, especially at border crossings. Considerable costs continue to be incurred to provide security fences, lighting equipment, access controls and additional security vehicles. All persons who require unescorted access to aircraft secure areas must have a fingerprint-based criminal history records check. Likewise, the Alaska Marine Highway must

respond to required passenger and vehicle screening, fencing, baggage cart security system, closed-circuit television, ramp crowd control services, improved ramp lighting, and electronic ticketing and manifest development.

The fluctuating level of Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) funds nationwide has required alternative methods of delivery of construction projects. The department is anticipating delivering more jobs by the design/build method and term contracts, as well as managing construction administration of contracts through consultants, local or borough governmental agencies, Bureau of Indian Affairs (BIA), Alaska Department of Natural Resources, and in time, through contractor acceptance testing. This marks the gradual transition from active construction management by department employees, to the role of quality assurance of the management of projects by others.

In an effort to accelerate transportation development and provide significant revenue and employment opportunities to the state, the department established the Industrial Roads Program (IRP). It began when a transportation analyses showed that new North Slope oilfield and Yukon-Kuskokwim River gold field roads could achieve those results. The IRP included Glacier Creek Road to the Rock Creek gold mine in Nome, links on the Alaska Peninsula and Bristol Bay, and Pebble Copper prospect north of Lake Illiamna. FY06 and FY07 funding supported projects of opportunity that have or will provide local or regional benefits. Those include Kensington Mine access road, the Ruby to Poorman road, the Lucky Shot Mine at Hatcher Pass, improvements in the Circle and other mining districts, timber access roads such as Bostwick Road on Gravina Island, Kake to Petersburg Road, Ketchikan to Shelter Cove, the Shirley Towne bridge in Mat-Su, and Williamsport to Pile Bay. Other promising proposals are being considered for addition to the IRP. Department of Transportation & Public Facilities (DOT&PF) planning staff continues to work closely with the Department of Natural Resources and with a coalition of public and private groups interested in these projects. They will pursue funding options and legislative actions related to project streamlining processes and other public policy objectives. DOT&PF design staff will set up and manage consultant-engineering and environmental contracts for the projects. All actions are designed to coordinate with the development of the particular resource and move projects through planning and design processes and into construction as rapidly as possible.

Protecting Alaska's investment in its transportation infrastructure is a key concern. The State's investments in facilities, roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, we are faced with an ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel; cost of maintaining new infrastructure such as airport taxiways and lighting systems and highway traffic signals; and finally, the increasing burden of new laws and regulations. The budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our buildings, roads and airports. Adequate and stable funding is mandatory to properly maintain our infrastructure and provide a suitable level of service to the public.

Implementation of the Southeast Alaska Transportation Plan, and the Alaska Marine Highway System (AMHS) improvements recommended in the Prince William Sound and Southwest Alaska Transportation Plans are critical to the department. The recommendations contained in the regional plans represent only the beginning of a process that needs to be supported by further operational analysis, development of a logical implementation schedule, refined project scopes, and a funding program. New information developed during the ongoing implementation process may lead to additional public and community involvement and plan addendum. Also of importance is coordination with the Inter-island Ferry Authority (IFA) in the implementation of the Southeast Alaska Transportation Plan and programming improvements. The Marine Transportation Advisory Board is providing guidance on AMHS operations and long-range planning.

Management of the Alaska Marine Highway System is extremely challenging for various reasons. The department has had to function for the last few years with no carry-forward balance in the Marine Highway Fund. Expenditures and revenues do not happen throughout the year at the same time and thus results in cash flow problems. Also of concern is the timing of developing a vessel schedule prior to receiving an approved budget. Schedules must be made available to the traveling public so that they can make their travel plans. The amount of service being provided in those schedules can not be determined until a budget is approved. Forward funding of the AMHS would resolve both of these issues and better serve Alaskans.

The Department needs to take a more aggressive approach toward increasing ridership and revenue generation to support the AMHS. An independent marketing and fee study was completed that identified 80,000 potential customers available to the AMHS. Recommendations in the study will be analyzed and implemented where possible. So far, AMHS has implemented tariff discounts and awarded contracts to non-profit organizations to promote the use of the System. At the same time cost savings for the System are also critical. During the last round of union contract

negotiations, the department received the ability to contract for portions of the Northern Panhandle run. This should help reduce the on-going general fund drain to the AMHS.

The department has received Federal Highway Administration funding to develop Intelligent Transportation Systems for Commercial Vehicle Operations (ITS/CVO). The ITS/CVO program is focused on the use of technology to streamline state regulatory, enforcement and motor carrier practices increasing levels of safety and productivity for both states and carriers. A business plan has been developed and has been approved by the Federal Motor Carrier Safety Administration. Funding has been identified for bringing commercial vehicle safety information to commercial vehicle inspectors at the roadside, developing a system to enable motor carriers to submit applications for oversize and overweight permits electronically, and installing weigh in motion systems at the several weigh/inspection stations.

The federal aviation program has increased from $60 million in Federal Fiscal Year (FFY) 1999 to $197.46 million during FFY 2006. The increase in grant funds has expanded airports around the state, putting a larger burden on maintenance and operations. Project delivery including environmental permitting, right-of-way, design and engineering has received greater pressure from this increasing program. The state must maximize the amount of federal Airport Improvement Program (AIP) funding available and ensure it is used to save lives, improve mobility and increase private investment.

Significant Changes in Results to be Delivered in FY2008

This budget attempts to address significant facility and highway deferred maintenance and code compliance items, provide services at the same level or greater as in prior years and, at the same time, maintain general fund administrative support at prior levels.

Major Department Accomplishments in 2006

- Delivered a comprehensive program of bid ready designs and contract documents for projects across the state.
- Connect Anchorage Initiative. DOT&PF and the Municipality of Anchorage signed a memorandum of agreement to jointly fund and construct “congestion busting” projects – the center piece of which is the highway to highway connection between the Seward and Glenn Highways.
- Initiated work on a Natural Gas Pipeline “Highway Use Agreement” developing a list of potential aviation, highway and other transportation infrastructure improvements needed prior to construction of a natural gas pipeline.
- Alaska Canada Rail Link. Alaska, with cooperation of the Yukon Territorial Government and the government of British Columbia, conducted an economic feasibility study of an Alaska Canada Rail Link that indicates that projected benefits are greater than the cost such as increased economic development, reduced transportation costs, alternative transportation corridors, increased port access, connection to manufacturing as well as population centers in the U.S. and Canada.
- Alaska British Columbia Intertie. Working with the Alaska Energy Authority a feasibility study is being conducted to prove that sufficient power markets exist that would attract the development of regions hydroelectric power potential to sell electric power to Southeast Alaskan communities and to export the excess to markets outside of Alaska. A steering group and two subcommittees comprised of regional representatives have been established to advise DOT&PF.
- Completed 9,415 commercial vehicle inspections during FFY 06. 579 of those inspections were on the Kenai Peninsula. Of the 9,415 inspections, 1,006 citations were issued. Assuring commercial vehicles meet weight and size restrictions and safety requirements helps reduce fatalities and injuries to the traveling public.
- Emphasized safety awareness through greater communication with the public, through various forms of media (public exhibits, workshops, newspaper advertisements). The Department entered into agreements with local police departments for officer presence at construction sites during peak traffic hours, enforcing compliance with construction zone speed limits.
- Maintained the International Safety Management (ISM) Code program certification required for AMHS vessels to visit Canadian ports. AMHS is the only U.S. flag, vehicle-passenger vessel fleet with overnight accommodations to have earned this certification. This certification has become the safety standard for the entire AMHS fleet.
- Repaired roads and highways by; applying chip seal, hot mix, or high float asphalt; applying crack sealant; and repairing various components including bridges; and cutting brush.
- Issued $239 million in new Alaska International Airport System (AIAS) bonds. Funds are being used to remodel the Fairbanks and Anchorage International Airports’ terminals, and as match on federal funds for other AIAS infrastructure.

- Closed on a $65 million bond agreement, and all associated documents (land lease) for the new Consolidated Rental Car Garage building at the Ted Stevens Anchorage International Airport. Construction began requiring the move of all rental cars to a temporary on-airport location.
- Transferred ownership of eight docks and harbors to communities pending completion of tidelands transfers, including Aleknagik Dock, Angoon Harbor and Dock, Haines Borough Harbors, Hydaburg Harbor, Kake Harbor, Loring Float, Port Lions Harbor and Tatitlek Dock.
- Maintenance and Operations crews covered 1,327 lane miles of highways with surface crack seal treatment or re-leveling depressed roadway surfaces by “banding."
- Paved 21.5 centerline miles of gravel roads.
- Repaved 165.5 centerline miles of roads.
- Reconstructed 49.1 centerline miles of roads.
- Built 7.9 centerline miles of new roads.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2006 Actuals				FY2007 Management Plan				FY2008 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Administration and Support	1,486.9	170.0	2,880.6	4,537.5	1,765.6	170.0	3,773.4	5,709.0	2,462.7	170.0	3,865.5	6,498.2
Administrative Services	4,368.7	0.0	6,389.8	10,758.5	4,878.1	0.0	6,629.3	11,507.4	5,964.2	0.0	6,701.0	12,665.2
Regional Support Services	1,517.9	0.0	2,502.0	4,019.9	1,523.1	0.0	1,524.5	3,047.6	1,820.0	0.0	1,572.4	3,392.4
Aviation	0.0	0.0	2,619.4	2,619.4	0.0	0.0	3,015.7	3,015.7	182.5	0.0	3,105.0	3,287.5
Planning	285.8	0.0	6,211.0	6,496.8	285.5	0.0	7,348.2	7,633.7	525.0	0.0	8,118.6	8,643.6
Measure Stnds & Comm Veh. Enf.	1,735.4	0.0	3,330.7	5,066.1	1,929.8	0.0	3,862.3	5,792.1	2,502.7	0.0	4,119.6	6,622.3
Design and Construction	2,051.4	0.0	81,005.5	83,056.9	1,992.6	0.0	89,104.7	91,097.3	4,668.9	0.0	99,344.4	104,013.3
Knik Arm Bridge/Toll Authority	0.0	0.0	496.1	496.1	0.0	0.0	851.3	851.3	0.0	0.0	955.7	955.7
State Equipment Fleet	0.0	0.0	24,891.4	24,891.4	0.0	0.0	26,368.8	26,368.8	0.0	0.0	28,179.1	28,179.1
Statewide Facility M&O	11,876.2	36.6	5,185.2	17,098.0	12,472.6	177.0	4,899.4	17,549.0	14,425.9	187.2	4,894.0	19,507.1
Traffic Signal Management	1,333.2	0.0	0.0	1,333.2	1,433.8	0.0	0.0	1,433.8	1,433.8	0.0	0.0	1,433.8
Highways and Aviation	91,481.5	727.2	14,940.3	107,149.0	95,677.1	977.8	17,163.7	113,818.6	103,843.1	977.8	17,983.3	122,804.2
Ted Stevens Airport	0.0	905.9	48,570.0	49,475.9	0.0	2,394.1	52,894.4	55,288.5	0.0	2,418.0	57,071.6	59,489.6
Fairbanks International Airport	0.0	42.6	11,862.1	11,904.7	0.0	20.0	12,963.5	12,983.5	0.0	20.0	14,511.9	14,531.9
Marine Highway System	78,788.1	0.0	52,410.8	131,198.9	79,156.3	0.0	53,988.4	133,144.7	98,130.1	0.0	54,186.2	152,316.3
Totals	**194,925.1**	**1,882.3**	**263,294.9**	**460,102.3**	**201,114.5**	**3,738.9**	**284,387.6**	**489,241.0**	**235,958.9**	**3,773.0**	**304,608.3**	**544,340.2**

Funding Source Summary

All dollars in thousands

Funding Sources	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
1002 Federal Receipts	1,882.3	3,738.9	3,773.0
1004 General Fund Receipts	194,894.7	200,370.2	235,212.6
1005 General Fund/Program Receipts	30.4	44.3	46.3
1007 Inter-Agency Receipts	5,610.3	5,659.1	4,723.8
1026 Highways/Equipment Working Capital Fund	25,835.7	27,373.8	29,168.3
1027 International Airport Revenue Fund	63,111.4	68,731.6	74,690.1
1052 Oil/Hazardous Response Fund	825.0	825.0	825.0
1053 Investment Loss Trust Fund		330.0	
1061 Capital Improvement Project Receipts	106,032.2	117,872.9	131,591.0
1076 Marine Highway System Fund	53,827.2	54,650.8	54,652.0
1108 Statutory Designated Program Receipts	542.6	1,239.0	1,239.0
1156 Receipt Supported Services	7,510.5	7,705.4	7,719.1
1200 Vehicle Rental Tax Receipts		700.0	700.0
Totals	**460,102.3**	**489,241.0**	**544,340.2**

Position Summary

Funding Sources	FY2007 Management Plan	FY2008 Governor
Permanent Full Time	3,011	3,018
Permanent Part Time	541	541
Non Permanent	1	1
Totals	**3,553**	**3,560**

FY2008 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Corps of Engineers - Harbor Program	2,600,000	0	0	2,600,000
Harbor Program Development	200,000	0	0	200,000
Capital Improvement Program Equipment Replacement	0	0	1,500,000	1,500,000
Coordinated Transportation and Vehicles	0	0	300,000	300,000
State Equipment Fleet Replacement	0	0	15,000,000	15,000,000
Statewide Federal Programs	56,638,000	47,130,000	12,000,000	115,768,000
Airport Improvement Program	0	135,990,500	29,342,981	165,333,481
Surface Transportation Program	0	243,600,000	400,000	244,000,000
Congressional Earmarks	0	4,250,000	0	4,250,000
Road Weather Information System (RWIS) Deployment	0	522,900	0	522,900
Alaska Marine Highway System: Reservations and Manifest System	150,000	900,000	0	1,050,000
Highway Analysis System - Geographic Information System (HAS-GIS) Interface	0	531,300	0	531,300
Advanced Commercial Vehicle Information Systems and Networks (CVISN) Projects	0	750,000	0	750,000
Vehicle Crash Initiatives	0	112,000	0	112,000
Truck and Bus Crash Data Improvement Program	0	750,000	0	750,000
Electronic Transmisison of Citation Data	0	800,000	0	800,000
Statewide: Maintenance Management System	0	839,100	0	839,100
Performance and Registration Information Systems Management (PRISM)	0	200,000	0	200,000
Department Total	**59,588,000**	**436,375,800**	**58,542,981**	**554,506,781**

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Summary of Department Budget Changes by RDU

From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2007 Management Plan	**201,114.5**	**3,738.9**	**284,387.6**	**489,241.0**
Adjustments which will continue current level of service:				
-Administration and Support	357.2	-170.0	-360.5	-173.3
-Administrative Services	360.5	0.0	-360.4	0.1
-Regional Support Services	121.6	0.0	-151.3	-29.7
-Aviation	182.5	0.0	-182.3	0.2
-Planning	225.8	0.0	-223.7	2.1
-Measure Stnds & Comm Veh. Enf.	211.5	0.0	-211.3	0.2
-Design and Construction	2,474.2	0.0	-2,459.1	15.1
-Knik Arm Bridge/Toll Authority	0.0	0.0	1.2	1.2
-State Equipment Fleet	0.0	0.0	15.8	15.8
-Statewide Facility M&O	-411.4	0.0	0.0	-411.4
-Highways and Aviation	-76.7	-109.2	-623.4	-809.3
-Ted Stevens Airport	0.0	-97.3	-24.3	-121.6
-Fairbanks International Airport	0.0	0.0	78.1	78.1
-Marine Highway System	-6,496.5	0.0	-1,302.7	-7,799.2
Proposed budget decreases:				
-Statewide Facility M&O	0.0	0.0	-142.3	-142.3
Proposed budget increases:				
-Administration and Support	339.9	170.0	452.6	962.5
-Administrative Services	725.6	0.0	432.1	1,157.7
-Regional Support Services	175.3	0.0	199.2	374.5
-Aviation	0.0	0.0	271.6	271.6
-Planning	13.7	0.0	994.1	1,007.8
-Measure Stnds & Comm Veh. Enf.	361.4	0.0	468.6	830.0
-Design and Construction	202.1	0.0	12,698.8	12,900.9
-Knik Arm Bridge/Toll Authority	0.0	0.0	103.2	103.2
-State Equipment Fleet	0.0	0.0	1,794.5	1,794.5
-Statewide Facility M&O	2,364.7	10.2	136.9	2,511.8
-Highways and Aviation	8,242.7	109.2	1,443.0	9,794.9
-Ted Stevens Airport	0.0	121.2	4,201.5	4,322.7
-Fairbanks International Airport	0.0	0.0	1,470.3	1,470.3
-Marine Highway System	25,470.3	0.0	1,500.5	26,970.8
FY2008 Governor	**235,958.9**	**3,773.0**	**304,608.3**	**544,340.2**